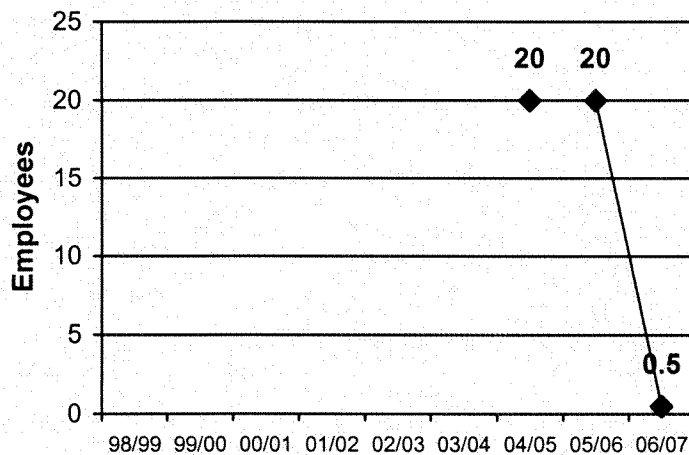


PURPOSE

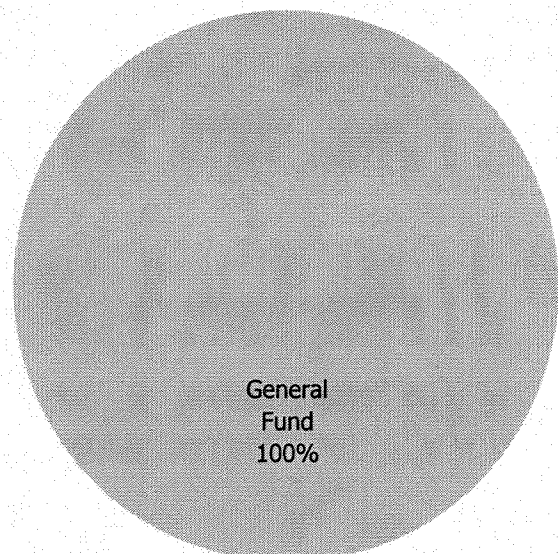
To improve the health of the community by delivering accurate, timely diagnostic test results, expert information and other services needed by health care professionals for patient care.

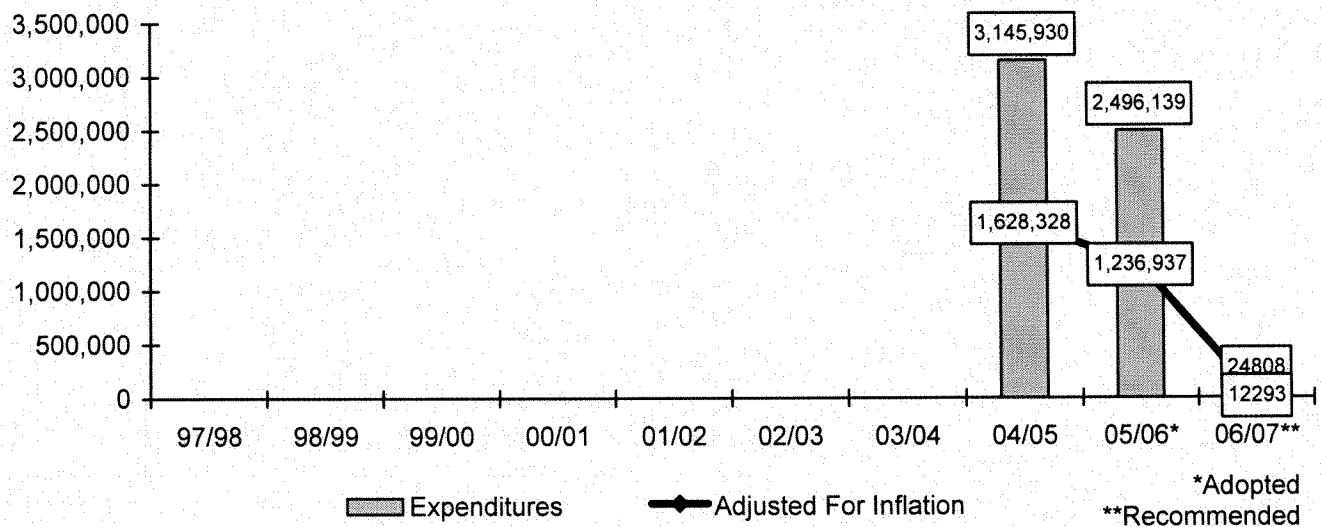
<u>Financial Summary</u>	<u>2005-06 Budget</u>	<u>2005-06 Projected</u>	<u>2006-07 Requested</u>	<u>2006-07 Recommended</u>	<u>Change From 2005-06</u>
Revenues	\$ 1,953,664	\$ 1,612,363	\$ 0	\$ 0	\$ (1,953,664)
Salary and Benefits	1,359,978	1,287,960	20,875	20,875	(1,339,103)
Services and Supplies	<u>1,136,161</u>	<u>1,029,368</u>	<u>5,301</u>	<u>3,933</u>	<u>(1,132,228)</u>
**Gross Expenditures	\$ 2,496,139	\$ 2,317,328	\$ 26,176	\$ 24,808	\$ (2,471,331)
Less Intrafund Transfers	0	0	0	0	0
**Net Expenditures	\$ 2,496,139	\$ 2,317,328	\$ 26,176	\$ 24,808	\$ (2,471,331)
General Fund Support (G.F.S.)	\$ <u>542,475</u>	\$ <u>704,965</u>	\$ <u>26,176</u>	\$ <u>24,808</u>	\$ <u>(517,667)</u>

Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

Previously, on March 16, 2004, the Board of Supervisors entered into a contract with the Community Health Centers of the Central Coast (CHC) to provide outpatient health services to county residents. At the same time, the Board directed that the County's Clinical Laboratory continue to operate and the operations of the laboratory be evaluated after one year. It was intended that the Clinical Laboratory would be financially self-sufficient.

After approximately 22 months, the Clinical Laboratory had not been financially self-sufficient. The Clinical Laboratory had been operating with an annual cost to the County of approximately \$540,000. Furthermore, several financial projections were conducted by Health Agency staff and it was determined the Clinical Laboratory would not be financially self-sufficient at any point in the foreseeable future. Additionally, the Health Agency's research indicated that the same levels of service would continue to be available to the lab patients elsewhere in the community for the same cost or less to the consumer. As such, on January 24, 2006, a hearing was held to determine the future of the Clinical Laboratory at which time the Board of Supervisors voted to close the operation.

The County's Clinical Laboratory was closed on March 31, 2006. The only budgeted expense for this fund center for FY 06-07 is the continuation of a 0.5 Senior Account Clerk position for six months (and a small amount for office supplies) in order to process accounts receivables (the revenue will be accrued to FY 05-06). In FY 06-07 and beyond, the closure of the laboratory is expected to save the County approximately \$550,000 annually.